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FOR IMMEDIATE RELEASE
December 9, 2004

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**CITY AGENCY EMPLOYEE CONVICTED OF SELLING OVER 16,000
CLIENT IDENTITIES IN CONNECTION WITH
MULTI-MILLION DOLLAR TAX FRAUD SCHEME**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced today that New York City Human Resources Administration employee VERONICA HARRISON was found guilty in Manhattan federal court after a bench trial before United States District Judge WILLIAM H. PAULEY, III, of unlawfully transferring the personal identifying information of over 16,000 individuals for the purpose of causing fraudulent tax returns to be filed with the IRS.

HARRISON's arrest and conviction arose out of a long-term investigation involving an identity theft and tax fraud scheme in which over twenty other defendants already have pleaded guilty. The scheme involved the filing of thousands of false and fraudulent income tax returns with the Internal Revenue Service, using identities of individuals without their authorization and seeking refunds which the conspirators kept for themselves.

HARRISON was a clerk at the New York City Human Resources

Administration, located at 60 Lafayette Street in Manhattan, where she worked for approximately 17 years in the area of child support enforcement. Specifically, she was responsible for helping to locate child support sources for children and mothers on public assistance, and thus she had access to large quantities of identifying information. From early 2000 through early 2003, HARRISON sold at least approximately 16,000 of these identities to a co-conspirator ("CC-1") in order for CC-1 to use the identities to file fraudulent federal income tax returns.

CC-1 and others created tax returns claiming self-employment, or "Schedule C," income on behalf of purported taxpayers, whose stolen identities they used to file tax returns. They would then list on the Schedule C returns two dependents for the purported taxpayers; however, the so-called "dependents" were not in fact related to, or dependents of, the so-called "taxpayers." Based on the dependent information, the purported taxpayers claimed entitlement to an Earned Income Tax Credit ("EITC"), when in truth and in fact, the purported taxpayers were entitled to no such credit. The typical amount of EITC refund claimed and recovered per fraudulently filed Schedule C return (each of which required 3 identities, including Social Security numbers - that is, that of a "taxpayer" and two "dependents" - to file) was approximately \$2,480. Over the course of the conspiracy, in their scheme to defraud the IRS, CC-1 and his co-conspirators

possessed, transferred, and used at least approximately 35,000 identities of individuals without the knowledge or consent of those individuals. This resulted in actual loss to the United States of at least approximately \$7 million in fraudulently obtained refunds paid to the conspirators, and an intended loss of many additional millions of dollars.

HARRISON, 46, resides in Jamaica, New York.

HARRISON faces a maximum term of 15 years' imprisonment and a maximum fine of \$250,000 or twice the gross gain or loss resulting from the crime. Sentencing is scheduled for March 11, 2005 before Judge PAULEY.

Mr. KELLEY praised the efforts of the United States Postal Inspection Service in the investigation of this case.

Assistant United States Attorney E. DANYA PERRY is in charge of the prosecution.

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